

## Part 1 – Agency Profile

### Agency Overview

In order to effectively manage the endowment lands and funds, Article IX of the Idaho Constitution established the State Board of Land Commissioners, consisting of Idaho's Governor, Secretary of State, Attorney General and Superintendent of Public Instruction. The State Auditor (now called State Controller) was added in 1910. The Land Commissioners, acting in the capacity of trustees on behalf of the beneficiary schools and other institutions, were given the responsibility under Article IX, Section 8 of the Constitution (as amended) to manage endowment lands **"...in such manner as will secure the maximum long term financial return to the institution to which granted..."** In addition to this charge, the Constitution also established a permanent endowment fund, the principal of which **"...shall forever remain inviolate and intact..."**, and the interest from which must be used for the maintenance of the public beneficiaries of the State.

**Beneficiaries:** Public Schools, the Agricultural College Fund (University of Idaho), Charitable Institutions Fund (Idaho State University, Industrial Training School, State Hospital North, Idaho Veterans Homes and the School for the Deaf and Blind), Normal School Fund (Idaho State University Department of Education and Lewis-Clark State College), the Penitentiary Fund, the School of Science Fund (University of Idaho), State Hospital South Fund, the University Fund (University of Idaho) and the Capitol Commission.

More than 225 dedicated natural resource specialists and support staff, functioning in 14 Supervisory Areas throughout the State, now work to implement the management directives as handed down by the Idaho Constitution and the State Board of Land Commissioners. Of the 3.65 million acres originally received, endowment lands currently total nearly 2.5 million acres, including 780,000 acres of commercial timberland and about three million acres of minerals. In addition, the Department of Lands, having been assigned additional duties over the years by the State Legislature, now serves as the host agency to the Idaho Board of Scaling Practices, the Clearwater-Potlatch Timber Protective Association and the Southern Idaho Timber Protective Association.

In addition to the primary mission of managing endowment trust lands, the Department has been charged by the Idaho Legislature with administering several programs designed to protect the natural resources so vital to the well-being of Idaho citizens. These include:

- **The Idaho Forest Practices Act** which regulates forest management activities on state, private and federal land to ensure continued productivity and protection of soil, air and water quality.
- **The Lake Protection Act** which regulates encroachments over and upon the beds of navigable waters.
- **The Mined Land Reclamation Act** which regulates the reclamation of lands impacted by mining activities.
- **The Placer Mining Act** which regulates mining activities below the high water mark of navigable waters.
- **The Hazard Reduction law** which ensures the mitigation of fire hazard associated with timber harvest.
- **The Idaho Forestry law** which provides for the effective and efficient suppression of wild fires.

The Department also delivers landowner and community assistance programs designed to advance sound resource management. These include, among others, the Forest Stewardship Program, the Community and Urban Forestry Program, the Forest Health Initiative and the National Fire Plan.

### Core Functions/Idaho Code

The Idaho Department of Lands operates under authority of Idaho Statutes and Idaho Administrative Rules.

- **TITLE 38 FORESTRY, FOREST PRODUCTS AND STUMPAGE DISTRICTS**
- **TITLE 47 MINES AND MINING**
- **TITLE 58 PUBLIC LANDS**

**Support Services** – The critical functions that support the overall activities of the Department are housed in the Department headquarters in Boise. These include Fiscal, Human Resources, Management Information Systems and Legal.

The Fiscal Section is responsible for the accounting functions of the agency. A team of accounting specialists provides oversight and policy direction for purchasing, accounts receivable, accounts payable and payroll.

Human Resource functions are provided by a team of specialists in the Division of Human Resources (DHR) under a Memorandum of Understanding between the Department and DHR.

The Management Information Services Bureau - Personnel in this Bureau support the Department computer network, software and hardware and maintain land ownership records and databases to assist in planning and implementing management strategies of lands and resources within departmental control.

Legal services are provided by the Office of the Attorney General. Two Deputy Attorneys General are housed with the Department and have primary responsibility for providing legal advice, initiating legal action to support Department actions and defending Department actions in court, as necessary.

**Forest Resources** – The Forest Management Bureau provides statewide policy direction, technical guidance and oversight in the utilization, improvement and protection of the renewable forest resources on endowment trust lands. In addition, the Forest Management Bureau supervises the measurement of forest products harvested as part of the Department's annual timber sale program, as well as the accounting for the receipt of associated payments.

The Forestry Assistance Bureau, staffed by specialists in the fields of forest management, urban forestry, entomology, pathology, fisheries biology, hydrology and geotechnical engineering, provides technical assistance to the Department, other government agencies and private forestland owners. It administers the delivery of programs designed to assist landowners in the responsible management of forest resources. The Bureau also oversees policy administration of the Idaho Forest Practices Act which regulates forest practice operations in Idaho.

**Lands, Range Minerals** – The Lands, Minerals & Range Division consists of the Real Estate and Surface and Mineral Resources Bureaus.

The Real Estate Bureau is responsible for developing policy and procedures associated with acquiring and granting right-of-ways; disclaimers of interest along the navigable rivers; conducting appraisals for departmental purposes; processing surplus sales for other state agencies; and the acquisition and/or disposal of endowment lands through land exchanges, sales and purchases. The Bureau assists Supervisory Area personnel, other state agencies, and landowners to complete these transactions so as to improve or preserve state land value and improve land management opportunities.

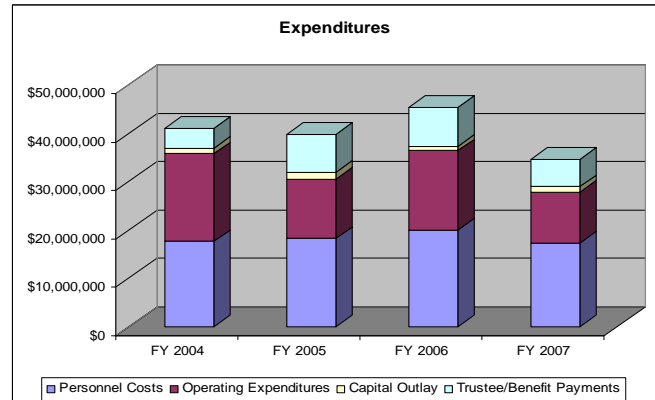
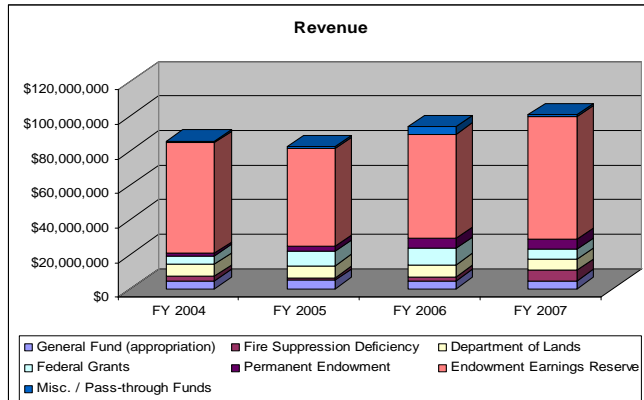
The Surface and Mineral Resources Bureau provides statewide policy direction, technical guidance and oversight to the Supervisory Areas in the administration of endowment land and public trust land leases and in the administration of the Lake Protection Act and the Surface and Placer Mining Act. Endowment land lease types include cottage sites, commercial buildings and businesses, grazing, crop, wind power, mineral, communication sites, and outfitters and guides. Submerged land leases are maintained for commercial marinas, floathomes and community docks located over public trust lands. The Bureau supports the Supervisory Areas in their processing of encroachment permits under the Lake Protection Act and the approval of reclamation plans under the Surface and Placer Mining Act.

**Forest and Range Protection (Fire)** - The Fire Management Bureau provides policy direction and oversight for the prevention, preparedness and suppression of wildland fires on over six million acres of public and private forest and rangelands across Idaho.

**Scaling Practices** - The primary purpose of the Board is to enforce log scaling (measurement) standards prescribed by statute and regulations. The Board tests and licenses scaling practitioners and subjects them to routine, unannounced checks to assure proficiency

## Revenue and Expenditures

| Revenue                      | FY 2004             | FY 2005             | FY 2006             | FY 2007              |
|------------------------------|---------------------|---------------------|---------------------|----------------------|
| General Fund (appropriation) | \$4,773,000         | \$4,835,600         | \$4,753,500         | \$4,769,100          |
| Fire Suppression Deficiency  | \$2,390,300         | \$1,679,200         | \$2,326,800         | \$6,078,600          |
| Department of Lands          | \$6,907,100         | \$6,687,100         | \$6,923,200         | \$6,250,100          |
| Federal Grants               | \$4,993,500         | \$8,516,000         | \$9,373,300         | \$5,810,900          |
| Permanent Endowment          | \$1,382,700         | \$2,964,000         | \$5,703,700         | \$5,568,500          |
| Endowment Earnings           |                     |                     |                     |                      |
| Reserve                      | \$64,181,300        | \$56,330,300        | \$60,286,500        | \$70,927,900         |
| Misc. / Pass-through Funds   | \$631,900           | \$1,111,200         | \$4,376,700         | \$1,069,100          |
| <b>Total</b>                 | <b>\$85,259,800</b> | <b>\$82,123,400</b> | <b>\$93,743,700</b> | <b>\$100,474,200</b> |
| Expenditure                  | FY 2004             | FY 2005             | FY 2006             | FY 2007              |
| Personnel Costs              | \$17,699,300        | \$18,253,300        | \$20,011,800        | \$17,424,600         |
| Operating Expenditures       | \$18,135,200        | \$12,282,500        | \$16,450,000        | \$10,407,800         |
| Capital Outlay               | \$1,162,700         | \$1,538,900         | \$914,600           | \$1,153,700          |
| Trustee/Benefit Payments     | \$4,117,700         | \$7,824,300         | \$8,047,600         | \$5,680,700          |
| <b>Total</b>                 | <b>\$41,114,900</b> | <b>\$39,899,000</b> | <b>\$45,424,000</b> | <b>\$34,666,800</b>  |



## Profile of Cases Managed and/or Key Services Provided

| Cases Managed and/or Key Services Provided  | FY 2004       | FY 2005              | FY 2006                | FY 2007        |
|---|---------------|----------------------|------------------------|----------------|
| Submit the advertised timber sale volume from the annual timber sales plan by June 30 of each year. | 100%          | 100%                 | 92%                    | 95%            |
| Complete public involvement process, compile identified issues for Land Board approval each April   | 100%          | 100%                 | 100%                   | 100%           |
| Review 10% of proposed timber sales for compliance with rules and regulations                       | Completed     | Completed            | Completed              | Completed      |
| Provide professional management plan assistance to forest landowners                                | 103 owners    | 55 owners            | 42 owners              | 50 owners      |
| Provide Cooperative Extension training sessions throughout Idaho                                    | 29 workshops  | 26 workshops         | 28 workshops           | 29 workshops   |
| Target 50% of forest practices for inspections for compliance with FPA                              | 61% inspected | 47% inspected        | 52% inspected          | 56% inspected  |
| Administer land bank program  | \$0           | 2 sales<br>\$110,500 | 4 sales<br>\$2,972,200 | 0 sales<br>\$0 |
| Acquire rights of way   | 12            | 10                   | 11                     | 7              |

|  |             |             |             |                  |
|--|-------------|-------------|-------------|------------------|
| Administer leases (submerged, range, commercial, cottage site, mineral, crop, oil & gas, geothermal and misc.) | 2387 leases | 2428 leases | 2718 leases | 2543 leases      |
| Establish occupancy of commercial buildings at 85% minimum   | 80%         | 85%         | 90%         | 85%              |
| Process Navigable Waters Encroachment Applications   | 442         | 548         | 492         | 527              |
| Control 94% of fires at 10 acres or less   | 96%         | 94%         | 93%         | 96%              |
| Inspect logging jobs for compliance with fire hazard management rules. (Statistics for calendar year)          | 1704        | 2011        | 1633        | Data Unavailable |
| Provide a comprehensive fire prevention program, including the issuance of burning permits.                    | Completed   | Completed   | Completed   | Completed        |
| Mining reclamation plans approved  | 59          | 55          | 47          | 44               |
| Conduct scaling workshops  | 3 workshops | 2 workshops | 3 workshops | 7 workshops      |

## Part II – Performance Measures

| Performance Measure   | 2004 | 2005 | 2006         | 2007               | Benchmark   |
|---|------|------|--------------|--------------------|---|
| 1. Check scales conducted   | 137  | 138  | 116          | 135                | 120   |
| 2. Fire readiness reviews completed   | 4    | 6    | 12           | 13                 | 5   |
| 3. Conduct at least one joint fire simulation exercises with a county (new)   | NA   | NA   | 1            | 1                  | 1   |
| 4. Scope/implement a transition land plan to insure the highest and best use of endowment land (new)  | NA   | NA   | 25% complete | **25% complete     | 100% complete by 2009   |
| 5. From 2006 to 2011 increase the percentage of annual timber sale plan volume submitted by December 31 to 50%.                                     | NA   | NA   | 33%          | 29%                | 50% of sale volume submitted by 2011                            |
| 6. Develop and implement annual forest management plan designed to yield an average 4% return on investment (exclusive of land value appreciation). | NA   | NA   | NA           | In Progress<br>*** | 4% return on investment   |
| 7. Scope and implement system modifications necessary to track performance by asset type over the next 3 years (new)                                | NA   | NA   | 20%          | 50%                | 100% by 2009  |
| 8. Improve management succession by increasing the percentage of qualified internal candidates available to fill vacancies                          | NA   | NA   | NA           | 20%                | 80% of promotional openings with a qualified internal candidate |

**\*\*Based on a revised/increased scope of the performance measure the 25% completion in FY 06 verses the 25% completion for FY 07 shows an increase in measure toward 100% completion.**

**\*\*\* An annual forest improvement project plan was completed. A statewide land appraisal project is in progress. Land value should be determined by 12/31/07.**

**Performance Measure Explanatory Note:**

1. Check scales provide for consistent, quality measurement of forest products throughout the state.
2. Fire readiness reviews insure that district firefighter are trained, equipped and fit for safe and effective fire suppression assignments.
3. Fire simulations exercises prepare agencies and local government cooperators for a major fire event in the wildland-urban interface.
4. The transition land plan will insure that endowment lands are managed for the highest and best use to maximize revenue for the beneficiaries.
5. Increasing the proportion of the annual timber sales plan volume submitted by December 31 each year will provide a more even flow of sales as requested by our timber industry customers.
6. The forest improvement plan provides for cultural practices designed to increase revenue from endowment timber lands.
7. Scoping and implementing system modifications to track asset performance will allow the department to insure business management practices are effective, with returns comparable to similar organizations. The scoping was complete in June 2007 and bid submissions for the implementation phase are expected by August 2007.
8. Due to pending retirements, many upper management positions will be vacated in the next few years. Succession planning will insure that qualified candidates are prepared and available to fill these positions.

**For More Information Contact**

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